

Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 CARACA 01986 062224Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /169 W

----- 012117

R 062102Z MAR 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2921

LIMITED OFFICIAL USE CARACAS 1986

DEPT PASS TO ALL ARA CAPITALS

E.O. 11652: N/A

TAGS: ENRG XM

SUBJECT: DISPOSAL OF ROYALTY OIL

1. ACCORDING TO CONFIDENTIAL INFORMATION FROM KNOWLEDGEABLE SOURCE IN MINISTRY OF MINES AND HYDROCARBONS, VENEZUELA HAS NOW MADE PLANS TO DISPOSE OF MOST OF OIL THAT STATE OIL COMPANY (CVP) WILL ACQUIRE APR. 8, WHEN OIL COMPANIES BEGIN TO PAY 100,000 B/D OF ROYALTIES IN KIND. SOURCE SAYS THAT MOST OF THIS OIL WILL GO TO OTHER LATIN AMERICAN NATIONS, BUT MAINLY NOT TO CENTRAL AMERICA OR OTHER NEEDIEST RECIPIENTS BUT TO THOSE SUCH AS MEXICO, BRAZIL, AND ARGENTINA, WHICH ARE ABLE TO PAY HIGHEST PRICES.

2. MAJOR FOCUS OF VENEZUELAN EFFORT TO LESSEN BURDEN ON NEEDY LATIN AMERICAN OIL IMPORTERS IS ON LOAN SCHEMES OF VARIOUS KINDS. MOST LIKELY APPROACH WOULD BE LOAN FUND ADMINISTERED THROUGH WORLD BANK GROUP. SOURCE RIDICULED IDEA OF OPERATING THROUGH OAS WHICH HE CONSIDERS HIGHLY INEFFICIENT ORGANIZATION,
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 CARACA 01986 062224Z

CITING AS EXAMPLE OAS INCOMPETENCE IN ORGANIZING MEETING ON ENERGY QUESTION WHICH TOOK PLACE IN WASHINGTON ON OR ABOUT

MARCH 4. FOR THIS MEETING, OAS INVITED RADICAL VENEZUELAN MEMBER OF CONGRESS LEONARDO MONTIEL ORTEGA TO BE ONE OF MAIN SPEAKERS, DESPITE FACT THAT MONTIEL'S PARTY (URD) RECENTLY REPUDIATED BY VENEZUELAN ELECTORATE AND HE HIMSELF LOST HIS SEAT IN CONGRESS. SOURCE OBSERVED ACERBICALLY THAT OAS SHOULD FEEL SOME OBLIGATION WHEN INVITING VENEZUELAN SPEAKERS TO INVITE THOSE WHO ARE REPRESENTATIVE OF VENEZUELA.

3. VENEZUELA CONTINUES TO BE OPPOSED TO CREATING PREFERENTIAL PRICES FOR OIL SOLD TO LATIN NATIONS, SOURCE OBSERVED. HE SAID HOWEVER THAT VENEZUELA MIGHT HAVE TO CONSIDER VERY SOFT LOANS OR EVEN GRANTS. (MONTIEL TOLD EMBOFF RECENTLY THAT HE HAS BEEN EMPLOYED BY OAS TO MAKE AN EXTENSIVE STUDY OF LATIN AMERICAN PETROLEUM. IF SO, THE OAS COULD NOT HAVE MADE A WORSE CHOICE, FROM POINT OF VIEW OF US INTERESTS.)
MCCLINTOCK

NOTE BY OCT: CARACAS 1986 NOT PASSED ABOVE.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, SALES, PETROLEUM INDUSTRY, FUND ALLOTMENT, PRICES, IMPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA01986
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740365/aaaacidr.tel
Line Count: 78
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 17 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 SEP 2002 by boyleja>; APPROVED <18-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DISPOSAL OF ROYALTY OIL
TAGS: ENRG, XM, VE, OAS, WORLD BANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005